GOVERNMENT OF ANDHRA PRADESH
ABSTRACT

Energy Department – Approval accorded for enhancement of capacity of Gujjili Pumped Storage Power (PSP) project from 1500 MW to 2400 MW in Alluri Seetharama Raju District to M/s. Navayuga Engineering Company Ltd., for under AP Integrated Clean Energy Policy 2024 – Orders – Issued.

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ENERGY (POWER.II) DEPARTMENT

G.O.MS.No. 75 Dated: 11-09-2025

Read the following:-

1. G.O.Ms.No.13, Energy (Power-II) Dept., Dt.07.02.2025.
2. From M/s Navayuga Engineering Company Limited dt.22.07.2025.
3. From the Vice Chairman & Managing Director, New and Renewable Energy Development Corporation of Andhra Pradesh (NREDCAP), vide Letter No. NREDCAP/WE/PSP/Gujjili/2025, Dt.20.08.2025.

O R D E R :-

Government of Andhra Pradesh (GoAP) is focused on creation of green economy and thriving ecosystem for Integrated Clean Energy across the value chain, through a robust framework to attract investments, thereby contributing to India's Renewable Energy growth and driving action in mitigating climate change.

2. To achieve and lead the country's goals of net zero, the GoAP has formulated "Andhra Pradesh Integrated Clean Energy Policy, 2024" for attracting Clean Energy investments and notified vide G.O.Ms No:37, dated 30.10.2024 of Energy (Power-II) Department.

3. The policy aims to add over 160 GW of renewable energy capacity, with a potential to attract investments worth ~INR 10,00,000 Crores, there by generating an estimated employment for 7,50,000, both direct and indirect. The policy will propel Andhra Pradesh to become a Clean Energy hub and contribute towards self economic reliance. Under the policy, it is proposed to encourage both large scale and decentralised Renewable Energy generation in the State.

4. In the reference 1st read above, Government have issued orders allocating 2300 MW of Pumped Storage Hydro Power (PSP) Projects to M/s Navayuga Engineering Company Limited to set up at Gujjili in ASR District (1500 MW) and Chittamvalasa PSP Project (800 MW) in ASR District.

5. In the reference 2nd read above, M/s Navayuga Engineering Company Limited vide letter 22.07.2025 has requested for the following:

- Enhancement of capacity of Gujjili PSP Project from 1500 MW to 2400 MW.
- Water allocation of 18.00 MCM for initial filling and also 0.98 MCM for annual evaporation losses from Champavathi River.

6. In the reference 3rd read above, the VC & MD, NREDCAP, Tadepalli, while forwarding the proposal of M/s Navayuga Engineering Company Limited has stated that taking into consideration of the technical and financial strengths of M/s Navayuga Engineering Company Limited, has requested the Government may consider for enhancement of Gujjili PSP capacity from 1500 MW to 2400 MW and allocation of water of 18.00 MCM for one time filling and 0.98 MCM for annual evaporation losses from Champavathi River, under AP Integrated Clean Energy Policy 2024.

7. The proposal of M/s Navayuga Engineering Company Limited has been placed before State Investment Promotion Board (SIPB) meeting held on 28.08.2025. The SIPB has taken the following decisions:-

(i) Agreed for enhancement of capacity of Gujjili Pumped Storage Power (PSP) project from 1500 MW to 2400 MW in Alluri Seetharama Raju District by M/s. Navayuga Engineering Company Ltd. under AP Integrated Clean Energy Policy 2024.

(ii) Agreed for allocation of water of 18.00 MCM for one time filling and 0.98 MCM towards annual evaporation losses from Champavathi River for Gujjili PSP subject to availability and as per the prevailing guidelines of the Water Resources Dept.

8. After detailed examination of the proposal of M/s Navayuga Engineering Company Limited in consultation with various stakeholders, Government hereby issue the following orders:

a) Approval is accorded for enhancement of capacity of Gujjili Pumped Storage Power (PSP) project from 1500 MW to 2400 MW in Alluri Seetharama Raju District by M/s. Navayuga Engineering Company Ltd. under AP Integrated Clean Energy Policy 2024.

b) for allocation of water of 18.00 MCM for one time filling and 0.98 MCM towards annual evaporation losses from Champavathi River for Gujjili PSP subject to availability and as per the prevailing guidelines of the Water Resources Dept.

c) Extend incentives under AP Integrated Clean Energy Policy, 2024 as follows:-

    i. Government/ Revenue/concerned department will consider to allot the land available if any in the project boundary to the Developer on alienation basis for lease up to a maximum 33 years and further extendable at the later stage including the construction period. The land lease rate for Revenue/ Government/Private/Patta land will be Rs.31,000/acre/year with 5% escalation for every 2 years for Clean Energy Projects. Given the nature and long gestation period of PSP projects, developer shall also be permitted for outright purchase of

Revenue/Government land at the rate of INR 5 lakh/ acre or basic value, whichever is higher. The land allotment shall be done as per the existing Andhra Pradesh Land Allotment Policy 2012 or any other GoAP directions and its amendments from time to time.

ii. Deemed Non-Agricultural status will be accorded for the land utilized for development of Clean Energy Projects. However, an application has to be submitted to Revenue Department for one time land conversion. Any applicable fee for such land conversion shall be exempted.

iii. **Water allocation & Charges:** In line with MOP guidelines dated 10.04.2023 to promote development of Pump Storage Power Projects, no water cess shall be levied. GoAP shall facilitate water allocation on priority as per the Industrial Water Supply Policy / guidelines issued by the Water Resources Department. Water for one time filling and annual recoupment shall be charged as per applicable rates, as amended from time to time.

iv. **Waiver of Stamp Duty & registration fee:** In line with MOP guidelines dated 10.04.2023 to promote development of Pump Storage Projects, Stamp duty and registration fees shall be exempted for land to be acquired by off-the-river PSP projects.

v. **Electricity Duty:** Electricity Duty is exempted on conversion losses for the period of 25 years.

vi. **Cross Subsidy Surcharge (CSS):** Cross Subsidy Surcharge shall be levied only on final consumption or sale of electricity.

vii. **Free Royalty Power:** No imposition of requirement of free power to home state (Andhra Pradesh).

viii. **Market reforms:** APERC may devise appropriate rules in line with MOP's Guidelines to promote development of Pump Storage Power Projects dated 10.04.2023, to create market for ancillary services, thereby provide appropriate market signal for PSP generators. In the event of capacity contracted not being fully utilized by the contracting agency, the Developer would be free to transfer the usage of the capacity to other interested entities so that resources do not remain idle. The gains made shall be shared with the original beneficiary in the ratio of 50:50.

ix. **Rehabilitation & Resettlement:** Developers shall mandatorily follow the provisions of Rehabilitation & Resettlement Policy of the Government of India and Government of Andhra Pradesh scrupulously at their own cost.

x. **Cost of Local Area development:** Developers shall follow the guidelines issued by the Government of India from time to time for promotion of Hydro Power Projects.

xi. **Budgetary Support:** Ministry of Power guidelines dated 10.04.2023 extends its Budgetary Support in the form of reimbursement towards Cost of Enabling infrastructure such as all Roads and Bridges required to connect major components like Dam, Powerhouse, pressure shaft, etc. to the nearest State/National Highway. SNA shall facilitate the Developer for getting "in principle" approval for the grant from Ministry of Power.

d) All fees and charges as per the AP Integrated Clean Energy Policy 2024 shall be paid by M/s. Navayuga Engineering Company Ltd.

e) Eligible grants if any from MNRE/ Central Government may be considered for extending to the proposed PSP project as per the policies of Govt. of India without any financial commitment from Govt. of AP.

f) Connectivity of CTU/STU will be recommended duly fulfilling the connectivity requirement of earlier sanctioned/agreements entered with project developers.

g) APTRANSCO shall facilitate for evacuation of power from the proposed PSP Power Project to the nearest CTU sub-stations as per the provisions of AP Integrated Clean Energy Policy 2024. Necessary evacuation facility till the nearest CTU shall be developed by M/s. Navayuga Engineering Company Ltd.

h) The Power generated from the PSP project should be connected to Power Grid/CTU substations and delivered outside the State with no obligation for DISCOMS to purchase power. However, the state shall have the right of first refusal of entire allotted capacity and tariff shall be determined by SERC under Section 62. Alternatively, DISCOMs shall procure through Tariff Based Competitive Bidding.

9. The Revenue Department / Industries & Commerce / APTRANSCO shall take necessary action accordingly pertains to their issues.

10. The Vice Chairman & Managing Director, New and Renewable Energy Development Corporation of Andhra Pradesh, Tadepalli shall take further necessary action accordingly.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

K. VIJAYANAND
SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
M/s. Navayuga Engineering Company Ltd., 48-9-17, Dwarakanagar, Visakhapatnam – 530016.
The VC & Managing Director, NREDCAP, Tadepalli.
The Chairman & Managing Director, APTRANSCO, Vidyuth Soudha, Vijayawada.
The Chief Commissioner of Land Administration, APIIC Towers, Mangalagiri.
The Special Chief Secretary to Government, Revenue Department.
The Special Chief Secretary to Government, Finance Department.
The Special Chief Secretary to Government, Industries & Commerce Department.
The Special Chief Secretary to Government, EFS&T Department.
The Principal Secretary to Government, Water Resources Department.
The Principal Chief Conservator of Forests, GoAP, P.V.S. Landmark, Near APIIC Towers, Mangalagiri, Guntur District.
The Collector & Magistrate, Alluri Seetharama Raju District.

Copy to
The Chairman, Central Electricity Authority (CEA), Sewa Bhavan, New Delhi.
The Member (Hydro), Central Electricity Authority (CEA), Sewa Bhavan, New Delhi.
The Member Secretary, AP Pollution Control Board, Vijayawada.
The Engineer-in-Chief, Water Resources Department
The Commissioner of Industries Department, Vijayawada.
The Managing Director, APGENCO, Gunadala, Vijayawada.
The Chairman & Managing Director, APSPDCL, Tirupathi.
The Chairman & Managing Director, APCPDCL, Vijayawada.
The Chairman & Managing Director, APEPDCL, Visakhapatnam.
The P.S to Secretary to Chief Minister.
The P.S. to Minister for Energy.
The P.S to Chief Secretary to Govt.
The P.S. to the Special Chief Secretary to Government, Energy Department.
The Secretary, Ministry of New & Renewable Energy (MNRE),GoI, New Delhi.
The Secretary, Ministry of Power, GoI, New Delhi.
G.A (Cabinet) Dept.,
SF/SCs (2661269, 2958931)

//FORWARDED::BY ORDER//

SECTION OFFICER